

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3889-04
Bill No.: HCS for HB 1854
Subject: Courts; Environmental Protection; Natural Resources Dept.
Type: Original
Date: April 28, 2008

Bill Summary: Allows companies to conduct voluntary audits relating to compliance with environmental standards and regulations. Prohibits St. Louis County from enacting charter provisions for waste collection in unincorporated areas of that county. Changes the requirements for registering reservoirs, dams and lagoons and obtaining operating and construction permits for these structures. Creates laws relating to environmental permit coordination. Creates the Manufacturer Responsibility and Consumer Convenience Computer Equipment collection Recovery Act.

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 13 pages.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
General Revenue	(\$135,263)	(\$143,936)	(\$151,344)
Total Estimated Net Effect on General Revenue Fund	(\$135,263)	(\$143,936)	(\$151,344)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Dam Safety Subaccount	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

*Net of Revenues and Expenditures

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
General Revenue	2	2	2
Dam Safety Subaccount	5	5	5
Total Estimated Net Effect on FTE	7	7	7

☒ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **State Auditor's Office** and **Department of Transportation** assume no fiscal impact to their agency.

Officials from the **Department of Natural Resources** assume the language as currently written in this proposal is consistent with the federal audit policy. Therefore, for purposes of this fiscal note the department would not anticipate any significant direct fiscal impact from this proposal.

Section 66.450

Officials of the **Department of Natural Resources** assume no fiscal impact.

Officials of the **Office of St. Louis County Executive** assume no fiscal impact.

Section 640.017

Officials from the **Department of Natural Resources (DNR)** assume this proposal would allow DNR to process multiple permits for a given facility in an orderly manner that facilitates the planned work and efficiently processes the permits involved. For example a mining operation requiring air, water, and land reclamation permits would have the permits scheduled so the minor permits are scheduled consistently with the more critical permits, so neither the facility nor the public expend excessive time and effort on public meetings and review on individual permits when they can be combined. DNR will maintain at least the minimum public participation for each permit as required by law; processing permits closer together in time may allow the department to timely address multimedia issues that arise in public forums.

New procedures would be established over time as the concept of unifying permits is refined through implementation. DNR anticipates changes to permit processing to be assimilated into the permitting processes gradually for routine multiple-permit facilities and on a case-by-case basis for individual major facilities. DNR would not anticipate a fiscal impact from this proposal.

ASSUMPTION (continued)

Sections 236.400, 236.410, 236.415, 236.420, 236.425, 236.435, 236.440, 236.445, 236.460, 236.465 & 236.500

Officials from the **Department of Natural Resources (DNR)** assume the council would establish fees for dams operated and licensed under the Federal Power Act in an amount to cover existing and new resources necessary to carry out the dam safety inspections. There are currently 3 dams and reservoirs that would be inspected annually under the proposed legislation.

The department assumed the receipts would be deposited into the dam safety subaccount and payments for the resources used to carry out the legislation would also be from the subaccount.

Based upon the estimated existing dams and reservoirs, the department has determined it will require 4 FTE, in addition to the existing 4.5 FTE, to perform the dam inspections. Additionally, one program administrative assistant would be required to maintain the database, issue billings and deposit fees.

Costs for inspections and exemptions are estimated at approximately \$400,000 in personal services, including fringe, and \$142,000 in expense and equipment, including \$107,000 in one-time expenditures. Administrative costs of approximately \$110,000 would also be incurred as a result of the additional resources. Annual inspection fees totaling approximately \$540,000 for known, existing, high hazard dams and reservoirs would offset costs. Revenue for construction applications is not known.

Known revenue calculation: The department determined there were 1,200 high hazard dams that are not agricultural and would be assessed an annual fee of \$450. Therefore, inspection revenue would total \$540,000 in the first year of implementation.

Number of dams inspected calculation:

The department determined there are 1,200 high hazard dams that would be inspected every two years. Therefore, the department will inspect approximately 600 dams per year (1,200 high hazard dams/2 years totals 600 dams/year).

Number of FTE calculation for civil and dam safety engineers:

ASSUMPTION (continued)

The department estimates that a two-man inspection crew can inspect 150 dams per year. Therefore four crews will be required to inspect 600 dams per year ($600 \text{ dams} / 150 \text{ dams/crew} = 4$). The department currently has two dam inspection crews. Therefore, the department estimates an additional 4 FTE will be required to implement the inspection portion of the proposed legislation. Two crews, consisting of civil engineers, which are registered professional engineers ($2 \text{ crews} \times 2 \text{ fte/crew} = 4 \text{ FTE}$).

Sections 260.1050, 260.1053, 260.1055, 260.1059, 260.1062, 260.1065, 260.1068, 260.1071, 260.1074, 260.1089, 260.1092 & 260.1101

Officials from the **Department of Agriculture** and **Department of Economic Development** assume no fiscal impact to their agencies.

Officials from the **Secretary of State's Office** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to Secretary of State's office for Administrative Rules is less than \$2,500. The Secretary of State's office recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Officials from the **Department of Natural Resources (DNR)** assume under Section 260.1071 the department would be required to educate consumers regarding the collection, recycling and reuse of computer equipment. The department would be required to establish and maintain an internet site providing consumers with information about the recycling and reuse of computer equipment.

Section 260.1074 would give the department the authority to conduct audits and inspections to determine compliance with the proposal. The Attorney General may file suit to enjoin an activity related to the sale of equipment in violation of sections 260.1050 to 260.1101.

ASSUMPTION (continued)

The department would be responsible for the implementation of the Manufacturer Responsibility and Consumer Convenience Computer Equipment Collection and Recovery Act. Requirements of the department include:

Consumer Education – The department would be required to educate consumers regarding the collection and reuse of computer equipment. This includes establishing and maintaining an internet site to provide information on recycling and reuse of computer equipment including manufactures’ recycling programs and recovery plans and computer equipment collection events.

Audits and Inspections – To assure compliance with the proposal, the department would have the authority to conduct audits and inspections.

Sections 444.765, 444.766, 444.770 & 444.774

Officials from the **Department of Agriculture, Department of Transportation** and **Department of Conservation** assume no fiscal impact to their agencies.

The **Department of Natural Resources** assume currently, there are 83 small sand and gravel operations with permits in effect and mine 5,000 tons or less per year. Some of these operations may claim the landowner exemptions from permitting, and this will decrease permit fees submitted to the department. These small gravel mining permits are \$300 each, and the maximum loss of permit fees would be \$24,900 annually. This could be partially offset by contractors who served private landowners or counties and exceed 5,000 tons, in which case a permit and fee would be required.

Section 444.770.2 of this proposal requires the property owner to notify the department before any person or operator conducts gravel removal from the property owner’s property if the gravel is sold or is intended to be sold commercially. At the time of notification, the property owner would receive a copy of the department’s guidelines, rules and regulations relevant to the reported activity. Since this would require field verification and assistance, the new procedures would not significantly decrease the workload of the inspectors.

Sections 444.768, 444.772, 444.773 & 444.774

The **Department of Natural Resources** assumes section 444.768.3 would require the commission to prepare a “detailed statement on: the potential mineral resources of the area”. The department’s DGLS is responsible for housing and sharing geologic data (which includes mineral resource information).

ASSUMPTION (continued)

Section 444.772.13 would require the Department to evaluate proposed surface mining operations to determine if the sites are “unsuitable” for the proposed purpose. It would require applicants to submit an “environmental impact assessment” that would include characterization of “geology and hydrology”.

Officials of the DGLS assume that about 50 new sites would be evaluated per year. It is assumed a combined review and resource evaluation time of just 40 hours per site, would result in the need for one (1) Geologist II. An experienced Geologist III registered in Missouri would be required to complete the geology and hydrology reviews and resource evaluations.

The department would also request one (1) Environment Specialist II primarily to review the environmental impact assessments required on all new permit applications received after August 28, 2008 as proposed in this legislation. Duties included in these reviews, would include, but not limited to:

- 1) Abstract
- 2) Introduction
- 3) Nature and scope of the issues
- 4) Process and procedural context
- 5) Description of the proposed project
- 6) Public participation
- 7) Geology and hydrogeology
- 8) Social and cultural dynamism
- 9) Prehistoric/archeology resource study
- 10) Results and implications
- 11) Lessons learned
- 12) List of relevant published papers or other source materials

444.768 (4) (a) adds the requirement that the commission shall development or utilize an existing database and an inventory system which will permit proper evaluation of the capacity of different land areas of the state to support and permit reclamation of surface mining operations. The Land Reclamation program does not have an existing database in order to meet this requirement. The cost to develop is unknown.

ASSUMPTION (continued)

Sections 640.305, 640.310, 640.315, 640.320, 640.325, 640.330, 640.335, 640.340 & 640.345

Officials from the **Department of Natural Resources** assume the language as currently written in this proposal is consistent with the federal audit policy. Therefore, for purposes of this fiscal note the department would not anticipate any significant direct fiscal impact from this proposal.

Sections 643.151 and 644.076

Officials from the **Department of Natural Resources** would not anticipate a direct fiscal impact from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
GENERAL REVENUE			
<u>Cost - Section 444.768, 444.772, 444.773 & 444.774 - Department of Natural Resources</u>			
Salaries (2 FTE)	(\$75,684)	(\$93,546)	(\$96,352)
Fringe Benefits	(\$33,467)	(\$41,366)	(\$42,607)
Equipment and Expense	<u>(\$26,112)</u>	<u>(\$12,024)</u>	<u>(\$12,385)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$135,263)</u>	<u>(\$146,936)</u>	<u>(\$151,344)</u>
Estimated Net FTE	2	2	2
DAM SAFETY SUBACCOUNT			
<u>Revenue - Department of Natural Resources</u>			
Fees for New Construction Applications	Unknown	Unknown	Unknown
Inspection Fees	<u>\$540,000</u>	<u>\$540,000</u>	<u>\$540,000</u>
Total	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
<u>Cost - Department of Natural Resources</u>			
Salaries (5 FTE)	\$228,959	\$282,993	\$291,483
Fringe Benefits	\$113,930	\$140,817	\$145,042
Equipment & Expense	<u>\$252,329</u>	<u>\$154,186</u>	<u>\$155,512</u>
total	<u>\$595,218</u>	<u>\$577,996</u>	<u>\$592,037</u>
ESTIMATED NET EFFECT ON DAM SAFETY SUBACCOUNT*	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Estimated Net FTE	5	5	5

***Net of Revenues and Expenditures**

FISCAL IMPACT - Local Government

FY 2009
(10 Mo.)

FY 2010

FY 2011

\$0

\$0

\$0

FISCAL IMPACT - Small Business

Section 66.450

Potentially.

Sections 260.1050, 260.1053, 260.1055, 260.1059, 260.1062, 260.1065, 260.1068, 260.1071, 260.1074, 260.1089, 260.1092 & 260.1101

Yes. This legislation creates the Manufacturer Responsibility and Consumer Convenience Computer Equipment Collection and Recovery Act and this law would require small manufacturers to develop and implement a recovery plan to the DNR before offering computer equipment for sale in the state of Missouri.

Manufacturers of computer equipment would be required to adopt and implement a recovery plan. The recovery plan shall enable a consumer to recycle computer equipment without paying a fee and include provisions for the manufacture's collection of the computer equipment that has reached the end of its useful life and the recycling or reuse of the computer equipment.

The recovery plan shall include provisions for collection of the computer equipment that is reasonably convenient, available to consumers and designed to meet the collection needs of the consumers of the state.

Each manufacturer of computer equipment shall submit a report to the department that includes the weight of computer equipment collected, recycled, reused during the preceding calendar year. Also required in the report is documentation certifying that the collection, recycling and reuse of computer equipment complies with the requirements of the proposal.

Sections 444.768, 444.772, 444.773 and 444.774

Some mining companies are small businesses. These requirements would apply to all companies in the surface mining industry.

FISCAL IMPACT - Small Business (continued)

Section 640.017

Yes. Small businesses requiring multiple permits will have the permitting process focused so all permits are processed in concert with each other, resulting in a more concise and efficient regulatory interface.

FISCAL DESCRIPTION

The proposed legislation has an impact on the following sections.

Sections 236.400, 236.410, 236.415, 236.420, 236.425, 236.435, 236.440, 236.445, 236.460, 236.465 & 236.500

The proposed legislation modifies laws pertaining to dam and reservoir safety.

Sections 260.1050, 260.1053, 260.1055, 260.1059, 260.1062, 260.1065, 260.1068, 260.1071, 260.1074, 260.1089, 260.1092 & 260.1101

The proposed legislation appears to have no initial fiscal impact however, it could reduce total state revenue.

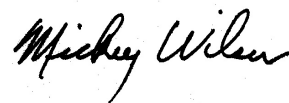
Section 444.768, 444.772, 444.773 & 444.774

This proposed legislation modifies provisions relating to the Land Reclamation Act.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Natural Resources
State Auditor's Office
St. Louis County Executive
Department of Agriculture
Department of Economic Development
Secretary of State's Office



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Director
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